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NE
BRITISH EMBASSY

BAGHDAD

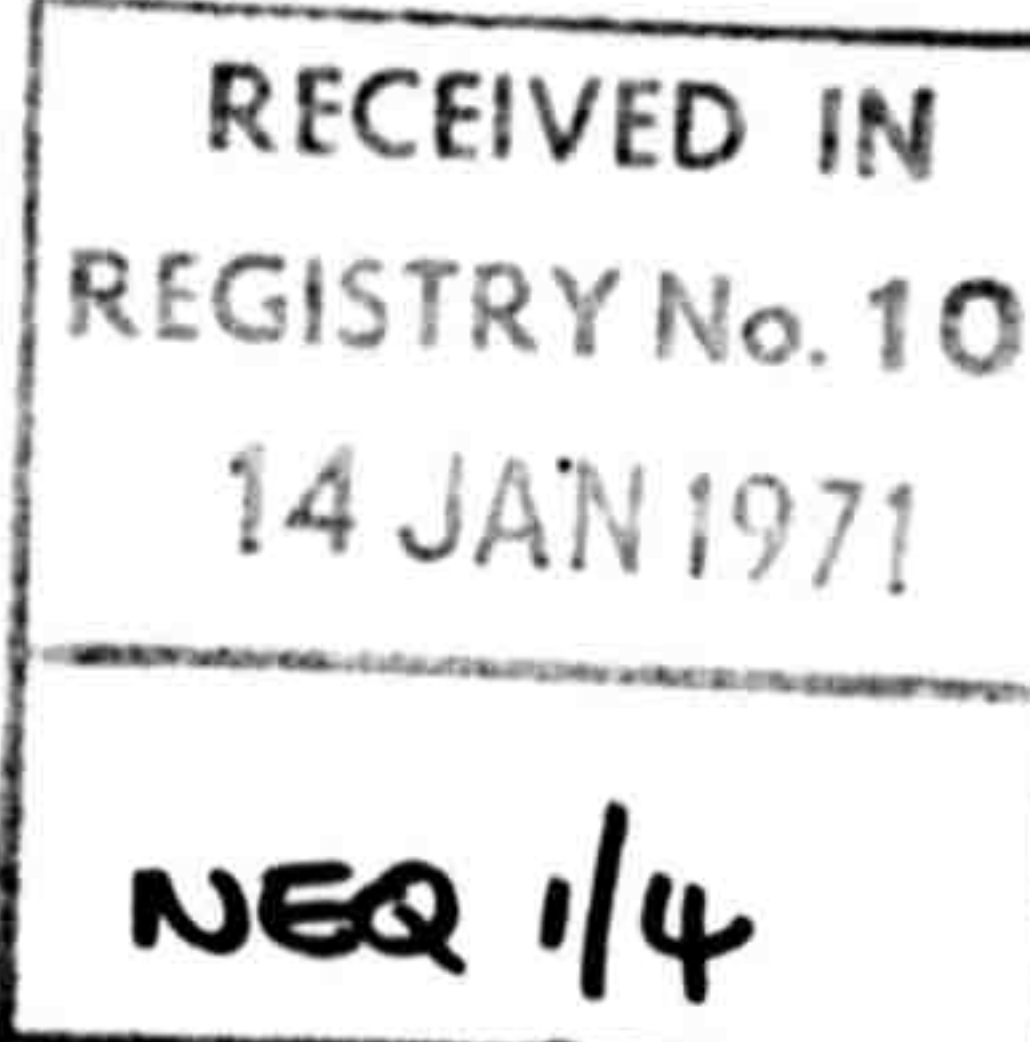


4 January 1971

1/3

IRAQ - ANNUAL REVIEW FOR 1970

SUMMARY



1. Ba'athist Iraq still governed by intimidation but of a rather less smog-like kind than in 1969. There has been some relaxation, especially in internal affairs (paragraph 1).
2. The abortive coup of January. The executions which resulted were savage, but there were no more during the year (paragraph 2).
3. The Kurdish settlement of 11 March may not prove final but is the best attempt of the decade and gave the Ba'ath some badly needed credit (paragraph 3).
4. For the rest of the year internal affairs were managed with an air of relaxed confidence, the pragmatists apparently in the ascendant (paragraph 4).
5. In external behaviour a change of style much less evident. In the Arab world Iraq has remained isolated and quarrelsome: on Palestine extreme - though her decision not to follow words with needs during the Jordan war in the late summer may with luck herald a more general disengagement (paragraph 5).
6. Quarrels on other fronts renewed or extended. Trouble-making in the Gulf. Traffic with the Soviet bloc has remained heavy, as has criticism of the imperialist West in press and radio (paragraph 6).
7. But there have been signs of disenchantment with bloc trade and aid and of a desire to swing back towards the West. Local communists still subject to harassment (paragraph 7).
8. Ambivalence especially evident in Iraq's oil policies and attitudes to the Iraq Petroleum Company. But OPEC's concerted initiative in December may jeopardise the hopes of realism triumphing locally (paragraph 8).
9. The tug-of-war within the régime, though not likely to snap the rope, has been pulling Iraq towards greater

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commercial dealings with the West and the UK. But without a further injection of funds, i.e. from oil revenues, shortage of cash will continue to play into the hands of communist trading partners (paragraph 9).

10. Genuine affection for Britain survives amongst the stowaways below decks, but there is no present hope of their taking over the ship. We must struggle along with the Ba'athist crew (paragraphs 10 and 11).
11. Storm clouds over the Persian Gulf in 1971. But further alienation between us and Iraq will leave Russia as tertius gaudens (paragraph 12).

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BRITISH EMBASSY

BAGHDAD

4 January 1971

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The Right Honourable
Sir Alec Douglas-Home KT MP
etc etc etc

Sir

1. My annual review for 1969 on this hapless and masochist republic made gloomy reading. My review for 1970, consisting of this despatch and the chronological list of events accompanying it, is less fraught though hardly light bedside material. Iraq has continued to be governed by intimidation of a suffocating and smog-like kind; and if I express the belief that the smog has lightened a bit in 1970, I do not mean that Ba'athist Iraq is on the way to becoming a smokeless zone, basking in happy sunlight. It is no more like the garden of Eden than is the "Garden of Eden" (at the junction of the Tigris and Euphrates); but at least in 1970 there have been fewer flaming swords at every gate. In less mythopoeic terms, the Ba'athist régime, having established itself firmly in power by rooting out potential foci of opposition, appears in 1970 to have recognized that a measure of relaxation - in its internal behaviour if not yet in many of its external policies - will serve its own interests best. However calculated, this trend is surely something which we - equally in our own interests - should positively encourage.

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2. The year began discouragingly with an abortive conspiracy, incompetently sponsored by the Iranians, competently penetrated and played along by Iraqi military intelligence, and ending on the 24th of January in 44 instant executions. Many of the victims were certainly guilty; but so summary and so savage was their treatment that (to borrow from Tacitus) tanquam innocentes perierunt. The régime was not this year troubled again, if one ignores the vague reports of a plot in September in an army unit east of Baghdad, bloodlessly scotched before it broke surface. Intelligence penetration of every limb of the body politic is now so complete that covert subversive plotting stands little chance of escaping detection. And to the best of our knowledge there was no further resort in 1970 to executions as a deterrent.

3. The next highlight on the internal scene was the announcement on the 11th of March, after 10 weeks of dialogue, of a settlement with the Barzanist Kurds, who had been in a state of almost continuous rebellion for a decade. Under the settlement the Kurds, who number nearly a fifth of the population, were promised local "autonomy" together with fair shares in central government and development, in exchange for peace. In the 9 months which have followed, implementation of its detailed terms has been patchy; and the crucial census fixed for the 26th of October, which was to define the limits of the Kurdish region (notably in relation to the oil fields of Kirkuk) had to be shelved. Few would predict that the settlement will prove, as it claimed to be, final; but so far the Kurds have been

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disposed to put first things - reconstruction and development - first, and to give the government the benefit of at least some of their doubts. Peace at any rate is welcome to both sides: and its Ba'athist architects, Saddam Hussein (Vice Chairman of the Revolutionary Command Council) in particular, brought a measure of credit to a régime badly in need of it.

4. Having got the Kurdish war hopefully behind them and demonstrated their apparent immunity to subversive conspiracy, the régime managed its internal affairs for the rest of the year with an air of confidence - symbolized perhaps by the unprecedented scale of their anniversary celebrations in July. Political offenders living abroad were amnestied (April). The grosser disabilities were progressively lifted from the Jewish community. A determined attempt was launched in a new Agrarian Reform Law (May) to make revolutionary agrarian policies less unproductive. Yet another interim constitution was promulgated, looking forward to the establishment of a National Assembly (July) - though a parliament of a hundred nominees of the RCC (as provided for by a follow-up law in December) may not be much to look forward to. The only powerful figure of doubtful allegiance within the corridors of power, General Hardan Tikriti, was painlessly eased out of them and exiled (October). The state of emergency which had prevailed in one form or another since 1935, was declared at an end. A hundred or more political prisoners were released, notably ex-prime minister Bazzaz.

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Tax cuts were announced and a new deal promised to the depressed private sector of the economy (November). As one prominent Iraqi official put it, the ~~tug-of-war~~ between the technicians and the realists on the one hand and the doctrinaire extremists on the other had at last begun to move in the right direction. To the outside observer the change in style may be hardly detectable: seen from inside it has been sharply enough defined even for those with the blackest spectacles to distinguish in the gloom and comment upon. Whether of course the bodiless grin in the foliage will broaden into a Cheshire cat or whether the Red Queen will be back with her notorious May-day slogan belongs to the next (unwritten) chapter.

5. Thus far on the internal political scene. In its external relations a change of style has been much less in evidence: and where evident, not often welcome. Indifferent as ever to their isolation in the Arab world and unabashed by its rejection of their claims to a leading role, too stiff-necked even to seek an accommodation with Syria under Assad or Egypt after Nasser, the Iraqi Ba'ath have pursued their quarrels with the Arab moderates: and even amongst the extremists the only friendship they have cultivated is with South Yemen or whatever it wishes to be called. On the main (Palestine) issue they have stuck in public to their hard old line, preferring logic to commonsense and noisily rejecting the Rogers peace plan in July. This led directly to an intensification of their feud with Egypt and indirectly to

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a bombastic commitment to give military support to the Palestinian fedayin in their war with the Jordan Government. Their decision, when it came to the point, to absolve themselves from putting their boasts into practice exposed them to ribald comment: but it was a welcome decision, particularly if it proves to have heralded a more general Iraqi disengagement from the Palestine arena. Nonetheless the continued presence in Jordan of 12-18,000 Iraqi troops, marginally reduced as the year wore on after the dissolution of the Eastern command in August, remained a thorn in the flesh of the Hashemite government.

6. Meanwhile on other fronts they have revived their propaganda war with Iran, disparaged the new régime in Oman, stimulated disaffection across the Saudi border, quarrelled with their own National Command under Aflaq, branded Hassanein Heikal as a CIA agent, and (more important to us) progressively increased their covert troublemaking in the Persian Gulf states. With Russia and Eastern Europe they have maintained unabated the traffic in delegations, agreements and military sales and services, cultivating with East Germany the same sort of special intimacy, and doubtless for comparable reasons, as they have with South Yemen. In their national oil policies (see paragraph 8), and in respect of their warlike stores, they have placed themselves more distinctly at the mercy of the Russians. And the theme of their endless editorials on the imperialist West has been scarcely less unfriendly than before. Indeed the entries on the debit side are legion.

7. And yet, however impalpable the signs, almost everyone

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here seemed persuaded, as the year wore towards its close, that the tide was on the turn, at least so far as East-West currents are concerned. Disenchantment with Communist trade and aid has been widely voiced or hinted at. Vice Chairman Saddam Hussain's long-postponed visit to Moscow in August was a resounding unsuccess. Harassment of indigenous communists has continued healthily. (There is no likelihood, as a senior Ba'athist remarked when political prisoners were released in November, of them being let out.) Despite the lick-spittle attitude of official propaganda towards the Russians and their friends, even senior Ba'athists began to speak openly of the régime's desire to swing back towards the West, "if only the West would give the process a helping hand". Even over Palestine there have been faint signs of realism. They have moved from "No Compromise" to "No Compromise Unless the Palestinians Agree". Your Harrogate speech in November received favourable notice, if only in private. And whatever else should be said of the way they kept their forces out of the Jordan firing-line in August, realism must be allowed to have played a part. I ought perhaps to add that Mr. (as he then was) George Brown's visit in January, which was mainly to do with Palestine, is openly recalled even by those he savaged most mercilessly in discussion, as one of the high-lights of the year.

8. But in no important field of Ba'athist policy has ambivalence been more evident in 1970 than in that of oil. In public the Government's behaviour has been almost wholly unattractive. Having rejected in January a new initiative

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for a settlement of their dispute with the Iraq Petroleum Company, they have, with Russian and Hungarian help, pushed ahead with the development of the "stolen" North Rumaila oil-field, seeking frantically for prospective purchasers of its product due to come on stream in January 1972. They have maintained for much of the year their needling administrative harassment of the I.P.C. in the field, ending with a demand for the transfer to their own social security coffers of £15 m's worth of accrued end-of-service entitlements of the Company's employees. There has also been a fairly continuous flow of invective in their publicity media against the "imperialist oil monopolies". And yet the I.P.C. negotiators in January, the visiting Managing Director in August and October and the Chief Representative on the spot have all been struck by the unprecedented friendliness of the non-specialist Iraqi negotiators (Vice President Ammash and Foreign Minister Sheikhly) and, especially towards the end of the year, by their express prediction that a settlement will sooner or later be achieved. Even the normally unfriendly Minister of Oil has seemed in recent months to be changing some of his spots. No doubt the new style is tactical and calculated. No doubt the Iraqis will continue to squeeze the companies (as other host governments do) to the edge of breaking point. But at least they seem increasingly aware of the limitations of their own position, of the difficulties of a do-it-yourself approach to the marketing of "national" oil, and of the inadequacy of communist bloc aid and

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equipment. Regrettably the prospects of pragmatism finally overcoming Iraqi oil policies may have been jeopardised by the determination of OPEC, disclosed at the end of December, to give the whole apple-cart a further seismic jolt.

9. The fact that there are forces within the régime itself pulling in opposite directions does not unfortunately mean that the rope will snap and lay the lot of them flat on their backs. Both sides in the tug-of-war know what the massed spectators would do if that happened. But unless the whole thing is a confidence trick (like the victories of the "world champion" Iraqi all-in wrestler, Adnan Qaisi, against foreign challengers up and down the country, which have been the other main topic of conversation in Iraq for the last three months) there is certainly one field in which the tug-of-war has been pulling things in the right direction. For unless we have been duped by fair words, there are unmistakable signs of a desire to do more business with the West. The upward graph in our own exports to Iraq in 1970, which should show an increase of some 15% over 1969, is gratifying but hardly yet reflects the desire repeatedly expressed over the last few months, particularly at technical director-general level, for a restoration of Iraq's special commercial and contracting relationship with Britain. As yet, Ba'athist Iraq cannot translate wish into practice, caught as it is in that familiar vicious circle - over-expenditure on the Armed Forces: shortage of cash: surrender to the tempting terms of East European trade. But the wish is evident, as is the improved "climate" reported by visiting

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British businessmen in the last half of the year. A further injection of funds into the economy, which is already benefiting from improved planning manifest in the new Five Year Plan published in mid-year, might turn the scale. From this point of view a settlement of the I.P.C. dispute is devoutly to be wished (the £20 million loan and other gestures in the autumn, which should add a further £50 m. to Iraq's oil revenues, had a markedly favourable effect); and the modest line of credit for which we have been pressing throughout the year, would also help. Meanwhile the small but welcome increase in training and technical assistance through ODM and British Council channels will do something to keep alive the technical and professional partiality for things British, on which our standing to date as Iraq's principal suppliers has depended.

10. In a despatch a year ago I reported my reluctance to subscribe to the facile belief in a "fund of goodwill" towards Britain stowed away in Iraq beneath the Ba'athist hatches. Under the scrutiny of the ubiquitous security men with their dark suits, dark glasses and "twenty-past-eight" moustaches, contacts with the educated non-Ba'athist Iraqi were necessarily slight. In the last few months of 1970 the hatches have been raised a little; and peering down into the ship's bowels I have been reassured and not a little moved by the friendly grimaces of so many captives packed in the hold. One has had a glimpse of what Iraq might be like under a different régime.

11. But a different régime - and in this respect a further year's experience has only strengthened my earlier

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impressions - is just what we shall not get. The present one is here to stay: and we must make the best of it.

Ambivalence which has increasingly seemed the key note of the régime's performance in 1970, is not much of a virtue.

But the Ba'athists of Iraq are Iraqi first and Ba'athist ideologues a long way second; and if the pragmatists and the anti-Communists amongst them are in the ascendant, we should surely give them a push upwards in any way we can. We need not, I hope, be deterred by the ludicrous myth now adopted, it seems, by everyone in the Middle East except the Ba'athists and ourselves, that we and the Ba'athists are working hand in glove to everyone else's disadvantage.

12. But even if they are not wholly diabolic and even if I am recommending the use of a slightly shorter spoon for dining with them, they are a long way from grace. Towards the end of 1970, their determination to promote revolution in eastern Arabia became even more apparent. There can be no doubt that in 1971 the clash in the Persian Gulf between what they regard as their interests and what we and our Iranian and other allies know to be ours, will be a major irritation in our relations with this country. In the storm which may well blow up, the hopes for a better understanding in other fields which 1970 has encouraged may well go overboard; and the prospect for an accommodation between Iraq and the I.P.C. (already jeopardised by the December resolutions of OPEC) may go overboard with it. The case for restraint in our handling of Iraqi troublemaking in the Gulf, as in other fields of friction, is that the only likely beneficiaries of further alienation between us and the Iraqis will be the Soviet Union.

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13. I am sending copies of this despatch which was drafted by HM Ambassador, together with its enclosure to Her Majesty's Representatives at Aden, Amman, Ankara, Beirut, Cairo, Jedda, Kuwait, Tehran, Tripoli, Moscow, Tel Aviv and Washington, to the Political Resident at Bahrain, to UKMIS New York and UKDEL Paris.

I have the honour to be
Sir
Your obedient Servant

D. J. Hardman



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ENCLOSURE

CALENDER OF EVENTS IN 1970

January

- 5 - 8 Meeting in Baghdad of Arab National Oil Companies attended by delegations from Algeria, Libya and U.A.R.
- 8 Opening of new Baghdad International Airport.
- 9 - 12 Mr. George Brown, Deputy Leader of Labour Party, visits Baghdad.
- 20 - 21 Attempted coup d'etat, led by Abdul Ghani al-Rawi, in which Iran was allegedly involved.
- 21 - 24 Special court set up under Taha Jazrawi to try those persons allegedly involved in the coup. Thirty-seven persons executed along with seven others, who had been earlier condemned to death for espionage.

February

- 5 - 10 Salah Omar al-Ali, member of R.C.C., visits South Yemen: announcement of Iraqi loan to South Yemen of ID 3 million over five years.
- 6 - 11 Minister of Interior, General Ammash, attends conference of Front Line States in Cairo.
- 11 Iraqi statement (the first of many in 1970) condemns Jordanian measures against the commandos and promises Iraqi support for them.
- 28 Special court reconvenes to try seven more persons accused of complicity in the abortive coup of 20/21 January: one executed; three others, including ex-Prime Minister Abdul Razzaq Nayif, sentenced to death in absentia.

March

- 1 - 10 Published dates of the Tenth National Convention of the Arab Socialist Ba'ath Party in Baghdad.
- 4 Publication of instructions from General Ammash, Minister of the Interior, to government departments to "take necessary steps to meet the needs of the Jewish community in their public affairs".
- 11 Announcement of settlement between the Government and the Kurds.
- 17 Announcement of the formation of a "Peace Committee" to implement the Kurdish settlement.

March

29 Major cabinet reshuffle. Five Kurdish Ministers appointed.

April

3 Further cabinet reshuffle resulting from the appointment of Generals Ammash and Tikriti as Vice Presidents.

4 - 7 Generals Tikriti and Shenshal attend meeting of Front Line States in Cairo.

18 - 25 Centenary of Lenin's birth celebrated in Iraq (in a low key).

May

10 - 12 Vice-President Tikriti and Minister of Foreign Affairs, Abdul Karim Shaikhli, visit Kuwait.

21 Presidential decree declares Mar Shimun Head of the Assyrian community in Iraq.

30 - 4 June Col. Qaddafi of Libya visits Iraq.

June

1 Signature of contract with Spain for supply of seven tankers, the cost to be repaid in crude oil.

1 Death in Baghdad of the Ayatullah, Muhsin al-Hakim, spiritual leader of the Shia sect.

11 - 15 General Ammash visits Jordan following breakdown of previous agreement between the Jordanian government and the commandos and receives credit for promoting new agreement.

19 - 25 President Bakr makes his first trip outside Iraq as President, attending the Arab Summit Conference in Tripoli, and later travelling to Algiers.

21 The first of three Iranian aircraft forced by hi-jackers to land in Baghdad.

26 - 30 Visit by Sheikh Saqr of Ras-al-Khaimah.

July

1 - 10 Eighth Congress of Kurdish Democratic Party at Nawperdan.

10 - 13 Visit by Turkish Foreign Minister.

July

- 14 - 17 Mammoth celebration of Iraq's July revolutions.
- 16 - 23 Publication of new Interim Constitution.
- 29 - 2 August Special emissaries of President Bakr tour the Arab world explaining Iraq's rejection of the "Rogers Plan".

August

- 1 Iraq refuses to participate in the Conference of Arab Foreign and Defence Ministers to discuss the "Rogers Plan" in Tripoli.
- 3 - 4 Colonel Qaddafi visits Baghdad.
- 4 - 12 Visit to Moscow by Saddam Hussein. Abdul Karim Shaikhli, the Minister of Foreign Affairs, Dr. Fakhri Qadduri, the Minister of Economy and Abdul Khaleq al Samarraie.
- 9 Publication in Baghdad of the "Libyan/Iraqi plan for confrontation with Israel".
- 9 The Iranian opposition leader, General Bakhtiar, shot and fatally wounded outside Baghdad.
- 15 Signature of ID 50 m. contract with U.S.S.R. repayable in crude oil.

September

- 1 Iraq issues ultimatum to the Jordanian government demanding the cessation of action against the commandos after renewed clashes between Jordanian troops and commandos.
- 11 R.C.C. statement calls upon the P.L.F.P. to release hijacked planes and hostages being held in Jordan.
- 14 - 16 Sir William Luce visits Baghdad for talks on the future of the Persian Gulf.
- 20 First (Hungarian) well at North Rumaila strikes oil at 2,223 metres.
- 22 Signature of Agreement with Czechoslovakia for ID 10 million (repayable in crude oil) towards construction of Basrah Oil Refinery.

September

- 23 First Soviet well spudded in at North Rumaila.
- 26 Following visit by Vice President Hardan Tikriti to Jordan, R.C.C. issues statement justifying non-intervention of Iraqi troops in Jordan.
- 28 Iraq declares seven days official mourning on the death of President Nasser, sends Vice President Tikriti to the funeral, but opens the Baghdad Fair on the same day.

October

- 2 Signature of Iraq/Bulgarian economic and technical cooperation agreement providing for ID 5 million loan to Iraq repayable in crude oil.
- 7 R.C.C. decision to postpone national census (scheduled for 26 October) indefinitely.
- 14 Following visit by Mr. Stockwell, Managing Director of I.P.C., Iraq announces advance of £20 million against future oil revenues. (See also under 28 October.)
- 15 Vice President Hardan Tikriti, on his way back from Madrid, is relieved of all his civilian and military posts: he flies to Algiers.
- 24 A Republican Ordinance lifts the state of emergency.
- 28 Iraq publishes undertaking by I.P.C. on increased production and future Iraqi "take" per barrel in lieu of royalty expensing.

November

- Series of visits by Saddam Hussein and others to Beirut in attempt to patch up differences with Michel Aflaq and the National Baath Command.
- 9 Tax cuts announced.
- 14 Announcement of the release of thirteen political prisoners, including Major General Ansari. Abdul Rahman Bazzaz, amongst others, released without announcement.
- 17 Statement by President Bakr on arrangements to stimulate investment in the private sector.

November

22

Minister of Oil sends letter to I.P.C. demanding adoption of 55/45 tax split and increase of 9 cents a barrel on Basra crude.

December

2 - 5

Mr. Stockwell, Managing Director of I.P.C., holds further (unpublicized) talks in Baghdad accepting new tax split but rejecting demand for increased price of Basrah crude.

4 - 6

Signature of agreement for KD 3 million Kuwaiti development loan.

5

Minister of Oil attends OPEC meeting in Venezuela.

7

Attempted assassination in Baghdad of Barzani's son.

17

National Assembly Law promulgated.

28

Signature in Baghdad of agreement for \$16 million Bulgarian loan repayable in crude oil.

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2

Mr Egerton

Mr Egerton.

Mr Evans

Many thanks.

R.E. 23/1.

IRAQ : ANNUAL REVIEW FOR 1970

1. Although signed by Mr Hawley, this Despatch was presumably written by Mr Balfour Paul before he left on leave. It is not exactly encouraging reading, but it is less gloomy than the Annual Review for Iraq for 1969. The conclusions are convincing; I particularly enjoyed paragraph 10.

2. I submit:

A a. a copy prepared for printing with General and Commonwealth "Q" Distribution. I do not recommend priority printing;

B b. a copy prepared for submission to Sir Philip Adams and Sir Denis Greenhill;

c. a draft letter of thanks to Mr Hawley.

Veronica Beckett

Veronica Beckett
Near Eastern Department

19 January 1970

An excellent review. It well brings out the patternless cycle of events which marks any year in Iraq. Their internal politics are so obscure (or yet, some we say, so starkly simple) that no Westerner can make any worthwhile prediction on anything. Whoever pretends to be able to discern a pattern

Is it
is H'B-PHAT.

or fastell ~~on~~ trend is either
lying or deluding himself.

Stoughton
19/1

Minor feedback

May I see fair of
seen by SLE of "thanking" ?
at 25/1

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FOREIGN AND COMMONWEALTH OFFICE

DIPLOMATIC REPORT No. 57/71

NEQ 1/4

General Distribution

IRAQ

4 January, 1971

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*The British Chargé d'Affaires in Iraq to the
Secretary of State for Foreign and Commonwealth Affairs*

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(Confidential)

Baghdad,

Sir,

4 January, 1971.

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3. The next highlight on the internal scene was the announcement on 11 March, after 10 weeks of dialogue, of a settlement with the Barzanist Kurds, who had been in a state of almost continuous rebellion for a decade. Under the settlement the Kurds, who number nearly a fifth of the population, were promised local "autonomy" together with fair shares in central Government and development, in exchange for peace. In the nine months which have followed, implementation of its detailed terms has been patchy; and the crucial census fixed for 26 October, which was to define the limits of the Kurdish region (notably in relation to the oil fields of Kirkuk) had to be shelved. Few would predict that the settlement will prove, as it claimed to be, final; but so far the Kurds have been disposed to put first things—reconstruction and development—first, and to give the Government the benefit of at least some of their doubts. Peace at any rate is welcome to both sides: and its Ba'athist architects, Saddam Hussein (Vice-Chairman of the Revolutionary Command Council) in particular, brought a measure of credit to a régime badly in need of it.

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4. Having got the Kurdish war hopefully behind them and demonstrated their apparent immunity to subversive conspiracy, the régime managed its internal affairs for the rest of the year with an air of confidence—symbolised perhaps by the unprecedented scale of their anniversary celebrations in July. Political offenders living abroad were amnestied (April). The grosser disabilities were progressively lifted from the Jewish community. A determined attempt was launched in a new Agrarian Reform Law (May) to make revolutionary agrarian policies less unproductive. Yet another interim Constitution was promulgated, looking forward to the establishment of a National Assembly (July)—though a Parliament of 100 nominees of the RCC (as provided for by a follow-up law in December) may not be much to look forward to. The only powerful figure of doubtful allegiance within the corridors of power, General Hardan Tikriti, was painlessly eased out of them and exiled (October). The state of emergency which had prevailed in one form or another since 1935, was declared at an end. A hundred or more political prisoners were released, notably ex-Prime Minister Bazzaz. Tax cuts were announced and a new deal promised to the depressed private sector of the economy (November). As one prominent Iraqi official put it, the tug-of-war between the technicians and the realists on the one hand and the doctrinaire extremists on the other had at last begun to move in the right direction. To the outside observer the change in style may be hardly detectable: seen from inside it has been sharply enough defined even for those with the blackest spectacles to distinguish in the gloom and comment upon. Whether of course the bodiless grin in the foliage will broaden into a Cheshire cat or whether the Red Queen will be back with her notorious May Day slogan belongs to the next (unwritten) chapter.

5. Thus far on the internal political scene. In its external relations a change of style has been much less in evidence: and where evident, not often welcome. Indifferent as ever to their isolation in the Arab world and unabashed by its rejection of their claims to a leading role, too stiff-necked even to seek an accommodation with Syria under Assad or Egypt after Nasser, the Iraqi Ba'ath have pursued their quarrels with the Arab moderates: and even amongst the extremists the only friendship they have cultivated is with South Yemen or whatever it wishes to be called. On the main (Palestine) issue they have stuck in public to their hard old line, preferring logic to commonsense and noisily rejecting the Rogers peace plan in July. This led directly to an intensification of their feud with Egypt and indirectly to a bombastic commitment to give military support to the Palestinian fedayeen in their war with the Jordan Government. Their decision, when it came to the point, to absolve themselves from putting their boasts into practice exposed them to ribald comment: but it was a welcome decision, particularly if it proves to have heralded a more general Iraqi disengagement from the Palestine arena. None the less the continued presence in Jordan of 12,000–18,000 Iraqi troops, marginally reduced as the year wore on after the dissolution of the Eastern Command in August, remained a thorn in the flesh of the Hashemite Government.

6. Meanwhile on other fronts they have revived their propaganda war with Iran, disparaged the new régime in Oman, stimulated disaffection across the Saudi border, quarrelled with their own National Command under Aflaq, branded Hassanein Heikal as a CIA agent, and (more important to us) progressively increased their covert troublemaking in the Persian Gulf States. With Russia and Eastern Europe they have maintained unabated the traffic in delegations, agreements and military sales and services, cultivating with East Germany the same sort of special intimacy, and doubtless for comparable reasons, as they have

with South Yemen. In their national oil policies (see paragraph 8), and in respect of their warlike stores, they have placed themselves more distinctly at the mercy of the Russians. And the theme of their endless editorials on the imperialist West has been scarcely less unfriendly than before. Indeed the entries on the debit side are legion.

7. And yet, however impalpable the signs, almost everyone here seemed persuaded, as the year wore towards its close, that the tide was on the turn, at least so far as East-West currents are concerned. Disenchantment with Communist trade and aid has been widely voiced or hinted at. Vice-Chairman Saddam Hussain's long-postponed visit to Moscow in August was a resounding unsuccess. Harassment of indigenous Communists has continued healthily. (There is no likelihood, as a senior Ba'athist remarked when political prisoners were released in November, of *them* being let out.) Despite the lickspittle attitude of official propaganda towards the Russians and their friends, even senior Ba'athists began to speak openly of the régime's desire to swing back towards the West, "if only the West would give the process a helping hand". Even over Palestine there have been faint signs of realism. They have moved from "No Compromise" to "No Compromise Unless the Palestinians Agree". Your Harrogate speech in November received favourable notice, if only in private. And whatever else should be said of the way they kept their forces out of the Jordan firing-line in August, realism must be allowed to have played a part. I ought perhaps to add that Mr. (as he then was) George Brown's visit in January, which was mainly to do with Palestine, is openly recalled even by those he savaged most mercilessly in discussion, as one of the highlights of the year.

8. But in no important field of Ba'athist policy has ambivalence been more evident in 1970 than in that of oil. In public the Government's behaviour has been almost wholly unattractive. Having rejected in January a new initiative for a settlement of their dispute with the Iraq Petroleum Company, they have, with Russian and Hungarian help, pushed ahead with the development of the "stolen" North Rumaila oil-field, seeking frantically for prospective purchasers of its product due to come on stream in January 1972. They have maintained for much of the year their needling administrative harassment of the IPC in the field, ending with a demand for the transfer to their own social security coffers of £15 million worth of accrued end-of-service entitlements of the company's employees. There has also been a fairly continuous flow of invective in their publicity media against the "imperialist oil monopolies". And yet the IPC negotiators in January, the visiting managing director in August and October and the chief representative on the spot have all been struck by the unprecedented friendliness of the non-specialist Iraqi negotiators (Vice-President Ammash and Foreign Minister Sheikhly) and, especially towards the end of the year, by their express prediction that a settlement will sooner or later be achieved. Even the normally unfriendly Minister of Oil has seemed in recent months to be changing some of his spots. No doubt the new style is tactical and calculated. No doubt the Iraqis will continue to squeeze the companies (as other host Governments do) to the edge of breaking point. But at least they seem increasingly aware of the limitations of their own position, of the difficulties of a do-it-yourself approach to the marketing of "national" oil, and of the inadequacy of Communist *bloc* aid and equipment. Regrettably the prospects of pragmatism finally overcoming Iraqi oil policies may have been jeopardised by the determination of OPEC, disclosed at the end of December, to give the whole apple-cart a further seismic jolt.

9. The fact that there are forces within the régime itself pulling in opposite directions does not unfortunately mean that the rope will snap and lay the lot

of them flat on their backs. Both sides in the tug-of-war know what the massed spectators would do if that happened. But unless the whole thing is a confidence trick (like the victories of the "world champion" Iraqi all-in wrestler, Adnan Qaisi, against foreign challengers up and down the country, which have been the other main topic of conversation in Iraq for the last three months) there is certainly one field in which the tug-of-war has been pulling things in the right direction. For unless we have been duped by fair words, there are unmistakable signs of a desire to do more business with the West. The upward graph in our own exports to Iraq in 1970, which should show an increase of some 15 per cent over 1969, is gratifying but hardly yet reflects the desire repeatedly expressed over the last few months, particularly at technical director-general level, for a restoration of Iraq's special commercial and contracting relationship with Britain. As yet, Ba'athist Iraq cannot translate wish into practice, caught as it is in that familiar vicious circle—over-expenditure on the armed forces: shortage of cash, surrender to the tempting terms of East European trade. But the wish is evident, as is the improved "climate" reported by visiting British businessmen in the last half of the year. A further injection of funds into the economy, which is already benefiting from improved planning manifest in the new Five-year Plan published in mid-year, might turn the scale. From this point of view a settlement of the IPC dispute is devoutly to be wished (the £20 million loan and other gestures in the autumn, which should add a further £50 million to Iraq's oil revenues, had a markedly favourable effect); and the modest line of credit for which we have been pressing throughout the year, would also help. Meanwhile the small but welcome increase in training and technical assistance through ODM and British Council channels will do something to keep alive the technical and professional partiality for things British, on which our standing to date as Iraq's principal suppliers has depended.

10. In a despatch a year ago I reported my reluctance to subscribe to the facile belief in a "fund of goodwill" towards Britain stowed away in Iraq beneath the Ba'athist hatches. Under the scrutiny of the ubiquitous security men with their dark suits, dark glasses and "twenty-past eight" moustaches, contacts with the educated non-Ba'athist Iraqi were necessarily slight. In the last few months of 1970 the hatches have been raised a little; and peering down into the ship's bowels I have been reassured and not a little moved by the friendly grimaces of so many captives packed in the hold. One has had a glimpse of what Iraq might be like under a different régime.

11. But a different régime—and in this respect a further year's experience has only strengthened my earlier impressions—is just what we shall not get. The present one is here to stay: and we must make the best of it. Ambivalence which has increasingly seemed the key note of the régime's performance in 1970, is not much of a virtue. But the Ba'athists of Iraq are Iraqi first and Ba'athist ideologues a long way second; and if the pragmatists and the anti-Communists amongst them are in the ascendant, we should surely give them a push upwards in any way we can. We need not, I hope, be deterred by the ludicrous myth now adopted, it seems, by everyone in the Middle East except the Ba'athists and ourselves, that we and the Ba'athists are working hand in glove to everyone else's disadvantage.

12. But even if they are not wholly diabolic and even if I am recommending the use of a slightly shorter spoon for dining with them, they are a long way from grace. Towards the end of 1970, their determination to promote revolution in eastern Arabia became even more apparent. There can be no doubt that in 1971 the clash in the Persian Gulf between what they regard as *their* interests and what we and our Iranian and other allies know to be *ours*, will be a major irritation

in our relations with this country. In the storm which may well blow up, the hopes for a better understanding in other fields which 1970 has encouraged may well go overboard; and the prospect for an accommodation between Iraq and the IPC (already jeopardised by the December resolutions of OPEC) may go overboard with it. The case for restraint in our handling of Iraqi troublemaking in the Gulf, as in other fields of friction, is that the only likely beneficiaries of further alienation between us and the Iraqis will be the Soviet Union.

13. I am sending copies of this despatch which was drafted by Her Majesty's Ambassador, together with its enclosure to Her Majesty's Representatives at Aden, Amman, Ankara, Beirut, Cairo, Jedda, Kuwait, Tehran, Tripoli, Moscow, Tel Aviv and Washington, to the Political Resident at Bahrain, to UKMIS New York and UKDEL Paris.

I have, etc.,

D. F. HAWLEY.

Enclosure

Calendar of events in 1970

January

- 5-8 Meeting in Baghdad of Arab National Oil Companies attended by delegations from Algeria, Libya and UAR.
- 8 Opening of new Baghdad International Airport.
- 9-12 Mr. George Brown, Deputy Leader of Labour Party, visits Baghdad.
- 20-21 Attempted *coup d'état*, led by Abdul Ghani al-Rawi, in which Iran was allegedly involved.
- 21-24 Special court set up under Taha Jazrawi to try those persons allegedly involved in the *coup*. Thirty-seven persons executed along with seven others, who had been earlier condemned to death for espionage.

February

- 5-10 Salah Omar al-Ali, member of RCC, visits South Yemen: announcement of Iraqi loan to South Yemen of ID3 million over five years.
- 6-11 Minister of Interior, General Ammash, attends conference of Front Line States in Cairo.
- 11 Iraqi statement (the first of many in 1970) condemns Jordanian measures against the commandos and promises Iraqi support for them.
- 28 Special court reconvenes to try seven more persons accused of complicity in the abortive *coup* of 20-21 January: one executed, three others, including ex-Prime Minister Abdul Razzaq Nayif, sentenced to death *in absentia*.

March

- 1-10 Published dates of the 10th National Convention of the Arab Socialist Ba'ath Party in Baghdad.
- 4 Publication of instructions from General Ammash, Minister of the Interior, to Government Departments to "take necessary steps to meet the needs of the Jewish community in their public affairs".
- 11 Announcement of settlement between the Government and the Kurds.
- 17 Announcement of the formation of a "Peace Committee" to implement the Kurdish settlement.
- 29 Major Cabinet reshuffle. Five Kurdish Ministers appointed.

April

- 3 Further Cabinet reshuffle resulting from the appointment of Generals Ammash and Tikriti as Vice-Presidents.
- 4-7 Generals Tikriti and Shenshal attend meeting of Front Line States in Cairo.
- 18-25 Centenary of Lenin's birth celebrated in Iraq (in a low key).

- May**
- 10-12 Vice-President Tikriti and Minister of Foreign Affairs, Abdul Karim Shaikhli, visit Kuwait.
 - 21 Presidential decree declares Mar Shimun Head of the Assyrian community in Iraq.
 - 30 May-4 June Colonel Qaddafi of Libya visits Iraq.
- June**
- 1 Signature of contract with Spain for supply of seven tankers, the cost to be repaid in crude oil.
Death in Baghdad of the Ayatullah, Muhsim al-Hakim, spiritual leader of the Shia sect.
 - 11-15 General Ammash visits Jordan following breakdown of previous agreement between the Jordanian Government and the commandos and receives credit for promoting new agreement.
 - 19-25 President Bakr makes his first trip outside Iraq as President, attending the Arab Summit Conference in Tripoli, and later travelling to Algiers.
 - 21 The first of three Iranian aircraft forced by hijackers to land in Baghdad.
 - 26-30 Visit by Sheikh Saqr of Ras-al-Khaimah.
- July**
- 1-10 Eighth Congress of Kurdish Democratic Party at Nawperdan.
 - 10-13 Visit by Turkish Foreign Minister.
 - 14-17 Mammoth celebration of Iraq's July revolutions.
 - 16-23 Publication of new interim Constitution.
 - 29 July-2 Aug. Special emissaries of President Bakr tour the Arab world explaining Iraq's rejection of the "Rogers Plan".
- August**
- 1 Iraq refuses to participate in the Conference of Arab Foreign and Defence Ministers to discuss the "Rogers Plan" in Tripoli.
 - 3-4 Colonel Qaddafi visits Baghdad.
 - 4-12 Visit to Moscow by Saddam Hussein, Abdul Karim Shaikhli, the Minister of Foreign Affairs, Dr. Fakhri Qadduri, the Minister of Economy, and Abdul Khaleq al Samarraie.
 - 9 Publication in Baghdad of the "Libyan/Iraqi plan for confrontation with Israel. The Iranian Opposition leader, General Bakhtiar, shot and fatally wounded outside Baghdad.
 - 15 Signature of ID50 million contract with USSR repayable in crude oil.
- September**
- 1 Iraq issues ultimatum to the Jordanian Government demanding the cessation of action against the commandos after renewed clashes between Jordanian troops and commandos.
 - 11 RCC statement calls upon the PLFP to release hijacked planes and hostages being held in Jordan.
 - 14-16 Sir William Luce visits Baghdad for talks on the future of the Persian Gulf.
 - 20 First (Hungarian) well at North Rumaila strikes oil at 2,223 metres.
 - 22 Signature of agreement with Czechoslovakia for ID10 million (repayable in crude oil) towards construction of Basrah Oil Refinery.
 - 23 First Soviet well spudded in at North Rumaila.
 - 26 Following visit by Vice-President Hardan Tikriti to Jordan, RCC issues statement justifying non-intervention of Iraqi troops in Jordan.
 - 28 Iraq declares seven days official mourning on the death of President Nasser, sends Vice-President Tikriti to the funeral, but opens the Baghdad Fair on the same day.
- October**
- 2 Signature of Iraqi/Bulgarian economic and technical co-operation agreement providing for ID5 million loan to Iraq repayable in crude oil.
 - 7 RCC decision to postpone national census (scheduled for 26 October) indefinitely.

CONFIDENTIAL**October**

- 14 Following visit by Mr. Stockwell, Managing Director of IPC, Iraq announces advance of £20 million against future oil revenues. (See also under 28 October.)
- 15 Vice-President Hardan Tikriti, on his way back from Madrid, is relieved of all his civilian and military posts: he flies to Algiers.
- 24 A Republican Ordinance lifts the state of emergency.
- 28 Iraq publishes undertaking by IPC on increased production and future Iraqi "take" per barrel in lieu of royalty expensing.

November

- Series of visits by Saddam Hussein and others to Beirut in attempt to patch up differences with Michel Aflaq and the National Ba'ath Command.
- 9 Tax cuts announced.
- 14 Announcement of the release of 13 political prisoners, including Major-General Ansari. Abdul Rahman Bazzaz, amongst others, released without announcement.
- 17 Statement by President Bakr on arrangements to stimulate investment in the private sector.
- 22 Minister of Oil sends letter to IPC demanding adoption of 55/45 tax split and increase of 9 cents a barrel on Basra crude.

December

- 2-5 Mr. Stockwell, Managing Director of IPC, holds further (unpublicised) talks in Baghdad accepting new tax split but rejecting demand for increased price of Basrah crude.
- 4-6 Signature of agreement for KD3 million Kuwaiti development loan.
- 5 Minister of Oil attends OPEC meeting in Venezuela.
- 7 Attempted assassination in Baghdad of Barzani's son.
- 17 National Assembly Law promulgated.
- 28 Signature in Baghdad of agreement for \$16 million Bulgarian loan repayable in crude oil.

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Foreign and Commonwealth Office
London S.W.1

NEQ 1/4

26 January 1971

D F Hawley Esq CMG MBE
BAGHDAD

ANNUAL REVIEW FOR 1970

1. Your Annual Review for 1970 reached the Department on 14 January. We have now sent it to the printers (for General and Commonwealth Q distribution).
2. I found your despatch extremely stimulating. I also found it most helpful; having only become responsible for Iraq at the beginning of October, it was most useful to me to have an account of developments during the year as a whole. I shall express the same sentiments to Glen Balfour Paul if and when I see him. I detected here and there traces of his own very characteristic manner of putting things.
3. I had always myself doubted the validity of the proposition that a show of friendship towards the Ba'athist régime would enable us to draw on the fund of goodwill and friendship for this country which continues to exist in Iraq. I am glad to see that we agree about this. My own view has always been that funds of goodwill in foreign countries can only be tapped if governments are not indifferent or hostile towards us. All this said, it is nevertheless encouraging that the régime itself is readier than in the past to do business with us.
4. I have asked Arabian Department whether they have any comments to make on your judgments about how Anglo/Iraqi relations are likely to be affected by developments in and over the Gulf. I shall let you know whether they have anything to say.

R M Evans
Near Eastern Department

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Reference NEQ 1/4

(4)

Miss Beckett - To draft a short
letter from me to Mr. Hawley.

Arabian Department (DM)

R.E. 10/
2.

I should be grateful for your views on
the question raised in para 4. of Mr. Evans
letter to Mr. Hawley of 26 January.

V. Beckett

27/1

Dr. The reference to Sir W. Luce's
recent letter to HMA Baghdad on this subject,

27/1

Mr. Myers

I have been unable to trace a letter
by Sir W. Luce on this subject.

The attached file may be of use. Failing
this perhaps you could give me some more
information on the Luce letter in question

It was signed by Mr. Arnold. Miss
Beckett to see files (52) & (53). I think
we have nothing to add re para 4 of Mr
Evans letter.

for W.G.

8/2.

p/16

9/2

Mr. Beckett

Mr. Evans to see.

Bedants 10/2

(LAST PAPER)

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Foreign and Commonwealth Office
London S.W.1

NEQ 1/4

16 February 1971

D F Hawley Esq CMG MBE
BAGHDAD

ANNUAL REVIEW FOR 1970

1. This is just to let you know that Arabian Department have nothing to add on the question of how Anglo/Iraqi relations are likely to be affected by developments in and over the Gulf. Their views remain as set out in Anthony Acland's letter to Glen Balfour Paul on 23 December.

R M Evans
Near Eastern Department

(LAST PAPER)

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pk.
17/2

1970 Annual Review For Iraq Including Calendar Of Events. Annual Review For Iraq. 22 Mar. 1972. MS Middle East Online: Iraq, 1914-1974: Selected files from series AIR, CAB, CO, FCO, FO, PREM, T, WO, The National Archives, Kew, UK FCO 17/1532. The National Archives (Kew, United Kingdom). Archives Unbound, link.gale.com/apps/doc/SC5107476657/GDSC?u=webdemo&sid=bookmark-GDSC&xid=9f56823b&pg=1. Accessed 11 Apr. 2022.